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February 8, 1988

Mr. John Helgerson
Director of Congressional Affairs
Central Intelligence Agency
Washington, D.C. 20505

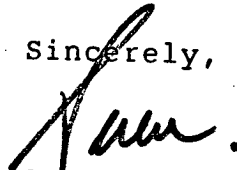
Dear John:

On January 21, 1988, I received a letter from Dave Gries regarding implementation of Section 630 of the "Treasury, Postal Service and General Government Appropriations Act, 1988," which was part of the Omnibus Continuing Resolution for Fiscal Year 1988 (Public Law 100-202). This section places significant limitations on the implementation and enforcement of any employee secrecy agreement that uses such terms as "classifiable."

The Committee has always believed that public support for an effective intelligence system depends upon the most scrupulous adherence to all applicable law. We anticipate that this matter will be no exception. It is my understanding that the Agency is conferring with others in the Executive branch regarding its proposed method of complying with Section 630. Please advise me or Britt Snider of the results of such consultations and of actions taken by the Director in this area. At that time we will review the efforts of the Agency in this regard.

Thank you for your consideration.

Sincerely,



Sven Erik Holmes
Staff Director and
General Counsel

WASHINGTON, Feb. 14 (AP) — A senior Justice Department official says the Reagan Administration might have avoided its mistakes in the Iran-contra affair if it had the political nerve to stand by its plan to curb leaks with widespread polygraph tests and expanded censorship.

"The Administration paid a real price" for backing off from a 1984 Presidential order that was aimed at preventing unauthorized disclosures, said Assistant Attorney General Richard K. Willard, the architect of the plan, which was known as the National Security Decision Directive 84.

"That price showed up most clearly in Iran-contra," Mr. Willard said in an interview as he prepared to leave Government this week for private practice. "People were so afraid of leaks from official channels that they bypassed those safeguards. They adopted all these other approaches that resulted in inadequate consideration and scrutiny."

Concern About Disclosures

Presidential and Congressional investigators said the fear of disclosures was a prime motive for White House aides to rely on shadowy business people to carry out Iran and contra policies while keeping key Reagan Cabinet members in the dark.

Mr. Willard said that if these people had been consulted, they would have prevented the mistakes.

Although Mr. Willard became a symbol of Government secrecy during the anti-leak fight, the 39-year-old lawyer operated quite openly in his seven years at the Justice Department, whether he was devising changes in intelligence policy or planning drug tests for Federal employees.

Looking back, he said the Administration's biggest victories, such as raising public concern about drugs and adding new narcotics agents and drug tests, showed the importance of altering public opinion before changing Government policy.

And its biggest disappointments, including on-and-off support for the rebels in Nicaragua, show the folly of trying to sneak new policies through the Washington political thicket, Mr. Willard said.

Threat of Dismissal

Mr. Willard, who served at the Justice Department longer than any other Reagan appointee, now heads its civil division. But he started as intelligence policy counsel to Attorney General William French Smith, who named him to head the inter-agency team that drafted the anti-leak order.

That order would have subjected the hundreds of thousands of Federal employees who see classified papers to possible dismissal if they refused to take polygraph, or lie detector, tests in investigations of disclosures. Thousands of others with access to the deepest secrets would have to let the Government censor their speeches and writings for life.

The order angered editorial writers, many members of Congress, authors and publishers, public employee



Richard K. Willard

'People were so afraid of leaks from official channels.'

unions, civil liberties groups, and, privately, even some of Mr. Willard's colleagues at the Justice Department.

The pressure led President Reagan to replace the order with a small polygraph test program in the Pentagon.

'They Were Afraid'

"The Administration showed a lack of political nerve to deal with this problem, because they were afraid to take on the press," which paid more atten-

tion than the order deserved, Mr. Willard said.

"This Administration has had its greatest problems where we just try to change public policy without changing the overall climate of ideas in the country," Mr. Willard said. "You have real problems given the balance of power in Washington between the President and Congress and entrenched interest groups."

"No one thought then that the leak order would solve all the problems or even most of them," Mr. Willard said. "It was part of an effort to get a better climate of ideas about leaks." But he said that people like the late William Casey, then Director of Central Intelligence, "who should have had an equally strong interest, did not think it was important to defend and deal with the public."

Mr. Willard said President Carter had the same problem with his aborted military mission to rescue American hostages in Iran. "People who could have helped make the project a success were not brought into it because of the fear of leaks," he said.

'It Was a Mistake'

"I feel the same way about Central America," Mr. Willard said. "It was a mistake early in this Administration to do so much covert action without developing public support."

Among Administration successes, Mr. Willard said, "the whole drug issue, not just drug testing but the broader change of attitudes about drugs in this country, is a remarkable turnabout since the Carter Administration" when some localities dropped criminal penalties for minor drug use.

Mr. Willard said that if he had one thing to do over, "I would have tried to get the senior national security and intelligence people to undertake more of a personal commitment to the leak policy before committing so much of my own effort and reputation."

Rail System Fined Over Safety

WASHINGTON, Feb. 14 (AP) — The Government is levying fines of \$734,900 against the Northeast's Guilford rail system for an array of safety violations over a four-year period, the Federal Railroad Administration has reported.

The Federal railroad agency told Guilford Transportation Industries, the parent company of the New England Regional Railroad, that it is asking the Justice Department to file suit to collect the fines after a negotiated settlement failed to materialize.

The civil penalties are related to a wide range of safety violations from 1984 through 1987, including handling of equipment, condition of locomotives and freight cars, track defects and record-keeping on work hours and operating procedures, the Federal agency said.

John Riley, the Federal railroad administrator, criticized Guilford in a let-

ter to the company for not responding to a negotiated settlement offer that called for payment of \$229,725 in fines.

"This is the first time F.R.A. has been compelled to sue a railroad on an entire group of cases" involving safety violations, Mr. Riley wrote to David Fink, president of Guilford Transportation Industries.

Guilford operates three railroad subsidiaries, the Maine Central, the Delaware & Hudson and the Boston & Maine, with tracks running in New England, into western New York and as far south as Pennsylvania.

**Other points of view
on the Op-Ed page
seven days a week.
The New York Times**

01:26 P.M.
!Subject: "Classifiable: secrecy agreement

!From:

!From: (received Tuesday 2/16/88 at 09:44 P.M.)

! Paul - Should LEG have action on the 8 January letter from
SSCI/Sven Holmes
! about Agency efforts to deal with the "classifiable" issue?

!From: (received Wednesday 2/17/88 at 10:43 A.M.)

! Yes, I think so - John R. wrote the ltr which started the e
xchange. I don't t!
! hink though, there'll be a response for the present.

!Select Action * Send Reply
! - Delete Message
! 1 of 3

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